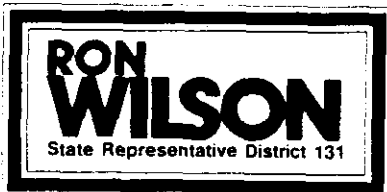


House of Representatives

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Austin, Texas 78768-2910
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Madeleine

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5039 Reed Road
Houston, Texas 77033
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*JD #17166
MJB*

August 25, 1992

The Honorable Dan Morales
Attorney General of Texas
P.O. Box 12548
Austin, TX 78711-2548

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AUG 26 92

Dear General Morales:

Opinion Committee

Certain Harris County officials have formulated and proposed a plan by which the county would establish a non-profit authority to operate a class I horse racing track in Harris County. Under the proposal the authority would issue revenue bonds to obtain ownership of the entity by which the license is currently held, Sam Houston Race Park Ltd., and to purchase the site for and build the racetrack itself. The non-profit authority would then operate the racetrack under the license. Presumably, the racetrack would offer full parimutuel wagering as provided by the Texas Racing Act (Article 179e, Vernon's Texas Civil Statutes).

On behalf of the House Committee on Liquor Regulation, I request your opinion on the following questions of law:

- (1) Would the purchase by an entity, such as a county or a county-created non-profit authority, of all the assets of the holder of a racetrack license in order to allow that entity to operate a racetrack under the license constitute a transfer of the license in violation of Section 6.12 of the Texas Racing Act?
- (2) Does a county or an authority, board, corporation, or other entity created by a county have authority to purchase an entity that holds a class I racetrack license, purchase a site for and build a class I racetrack, or operate a class I racetrack including parimutuel wagering provided for under the Texas Racing Act?

The following statutes have been cited as possible authority for the activity described above: Chapter 320, Local Government Code; Article 717s, Vernon's Texas Civil Statutes; Article 1528l, Vernon's Texas Civil Statutes; Article 2372d-8, Vernon's Texas Civil Statutes; Article 5190.6, Vernon's Texas Civil Statutes. Please do not limit your answer to the application of these statutes, but rather to the broader question of whether the described activities are authorized by any law.

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AUG 26 1992

DAN MORALES

The Honorable Dan Morales
Attorney General of Texas
Re: Harris County Class I Racetrack
August 25, 1992
Page 2

Action by the Harris County Commissioners Court on this proposal could occur in the very near future. Accordingly, I would appreciate your answer to this inquiry as soon as practicable.

Sincerely,

A handwritten signature in black ink that reads "Ron Wilson". The signature is fluid and cursive, with a long horizontal line extending from the "R" across the top of the name.

Ron Wilson, Chairman
Committee on Liquor Regulation

RW/mef

cc: **Texas Racing Commission**

Pat Pangburn, Chair
Glenn Blodgett, Vice Chair
John Sharp, Comptroller
Robert B. Holt, D.P.S.
A.L. Mangham, Jr., Commissioner
Demarious K. Frey, Commissioner
Anne Dunigan Wilson, Commissioner
Hugh Fitzsimons, Jr., Commissioner

Harris County Commissioners Court

The Honorable Jon Lindsay
The Honorable El Franco Lee, Precinct 1
The Honorable Jim Fonteno, Precinct 2
The Honorable Steve Radack, Precinct 3
The Honorable Jerry Eversole, Precinct 4

Capitol Press